

DAILY FOREX NEWSLETTER

Friday, 22nd January 2021

Local Markets:

The Kenyan Shilling gained against the dollar on Thursday on expected inflows from offshore investors into the local debt market and improved risk sentiment for so-called frontier assets.

Top News:

- Gold eased on Friday as U.S. Treasury yields edged higher, although prices were set to post their best week in five helped by a weaker dollar and further stimulus bets.
- Oil was down Friday morning in Asia, continuing a retreat from the previous week's 11-month highs, over imposes new COVID-19-induced restrictive measures in China and the ensuing fuel demand worries.

International Markets

USD: The dollar was headed for its worst week of the year on Friday, as investors cheered in the Joe Biden administration by buying riskier currencies and refreshed bets that a pandemic recovery could push the greenback lower still. The sentiment-driven moves have eroded gains made by the U.S. dollar since the Democrats won control of the U.S. Congress earlier this month. The dollar had risen along with U.S. Treasury yields on expectations of more fiscal stimulus and government borrowing under a Biden administration.

GBP: GBP/USD bulls catch a breather as the quote gyrates near the upper end of immediate trading range. UK policymakers push PM Johnson for full closure of UK borders, EU policymakers also emphasize further strict activity restrictions. Biden administration fears worsening virus woes, delay in vaccinations but keep markets positive. UK Retail Sales and PMIs will decorate the calendar, virus and vaccine updates keep the driver's seat. GBP/USD eases to 1.3730, after refreshing the multi-month high the previous day, during the early Asian session on Friday

EUR: EUR/USD ekes out gains amid stock market losses. German PMI is likely to show continued expansion in the manufacturing sector. ECB's lack of direct criticism of EUR's strength leaves the door open for further rally. EUR/USD is showing resilience to losses in stock markets, with investors eyeing key data releases, which are expected to show a continued expansion of the manufacturing sector in Germany and across the Eurozone. At press time, the pair is trading at session highs near 1.2175, representing a 0.12% gain on the day.

INR: Extending its gains for the third straight session, the Indian rupee added another 6 paise to settle at a near five-month high of 72.99 against the US dollar on Thursday, tracking a weaker American currency overseas and sustained foreign fund inflows. At the interbank forex market, the rupee opened higher at 72.96 and touched the day's high of 72.93 against the greenback before shedding some gains towards the fag-end of the session. It finally closed higher by 6 paise at 72.99.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	108.50	110.30			
GBP/KES	147.80	151.50	GBP/USD	1.3715	1.3695
EUR/KES	131.80	134.60	EUR/USD	1.2175	1.2140
INR/KES		1.5320	AUD/USD	0.7750	0.7780
			USD/INR	72.95	71.95
			Commodities		
			Gold	1861	1873
			Brent Crude	55.45	55.95

T-Bills Rates:

Duration	Current	Previous
91 Days	6.983%	6.884%
182 Days	7.508%	7.522%
364 Days	8.508%	8.445%

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